

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 62

Introduced By: Langemeier, 23;
Read first time: January 5, 2007
Committee: Banking, Commerce, and Insurance

A BILL

1 FOR AN ACT relating to insurance; to amend section 44-354,
2 Reissue Revised Statutes of Nebraska; to authorize insurance
3 producers to charge incidental fees as prescribed; and to
4 repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-354 Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 44-354. ~~It~~ (1) Except as provided in subsection (2) of
4 this section, it shall be unlawful for any insurance company,
5 association, or society, or for any officer, manager, agent, or
6 other representative thereof, to include in the sum charged or
7 designated in any policy as the consideration for insurance, any fee,
8 compensation, charge, or perquisite whatsoever, not specified in the
9 policy. When collected the same shall be reported as such.

10 (2)(a) An insurance producer may charge additional
11 incidental fees for premium installments, late payments, policy
12 reinstatements, or other similar services.

13 (b) For purposes of this subsection:

14 (i) Incidental fee means an amount equal to the cost of
15 providing a service that is charged in addition to the receipt of
16 premium from an insured or an applicant for insurance.

17 (ii) Other similar services includes payment by credit
18 card, processing insufficient funds checks, obtaining records,
19 reports, appraisals, inventories, and other like documentation, and
20 making regulatory filings for an insured or applicant for insurance.

21 (c) In order to charge an incidental fee, the insurance
22 producer shall actually perform a service or incur a cost.

23 (d) In the case of the fee for permitting insureds or
24 applicants for insurance to make a premium payment by credit card, the
25 insurance producer shall charge only the amount charged to the
26 insurance producer by the credit card company.

27 (e) All incidental fees charged by the insurance producer

1 shall be disclosed in writing to the insured or the applicant for
2 insurance at or before the time the fee is charged. The insurance
3 producer charging the fee shall provide to the insured or applicant
4 for insurance a written disclosure. The disclosure may be contained
5 in an itemized bill, invoice, or application that sets out the amount
6 of the fee and the service for which it is being charged.

7 (f) The amount of the incidental fees charged by the
8 insurance producer shall be posted conspicuously at any location where
9 the insurance producer markets or negotiates the sale or renewal of
10 insurance policies with insureds or applicants for insurance.

11 (g) Any violation of this subsection by an insurance
12 producer shall be subject to the Unfair Insurance Trade Practices
13 Act.

14 Sec. 2. Original section 44-354, Reissue Revised Statutes of
15 Nebraska, is repealed.